

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.H.
Mtg. Date June 19, 2018
Dept. Public Works

Item Title: Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2018-2019

Staff Contact: Mike James, Assistant City Manager/Public Works Director

Recommendation:

Adopt a resolution (**Attachment B**) approving the levy and collection of assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2018-2019. |

Item Summary:

The Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 was created in September 1997, pursuant to the provisions of the Landscaping and Lighting Act of 1972. The District includes 46 properties.

The engineer's report was presented and approved by the City Council on September 2, 1997. In order to pay for maintenance of the landscaped areas, the assessment may be adjusted annually by the greater of 3 percent or the percentage increase of the Consumer Price Index (CPI), within a maximum cap of \$335 per parcel.

Staff recommends a 3 percent increase in the assessment for Fiscal Year 2018-2019. The staff report (**Attachment A**) details the reasons supporting the increase and the proposed budget for the Wildflower Landscape Maintenance Assessment District. |

Fiscal Impact:

The FY 2018-2019 budget anticipates a beginning fund balance and revenues of \$14,058 and expenditures/transfers totaling \$14,058. |

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Staff Report
- B. Resolution

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.H.

Mtg. Date June 19, 2018

Item Title: **Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2018-2019**

Staff Contact: Mike James, Assistant City Manager/Public Works Director

Discussion:

On September 2, 1997, the City Council created the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 (District), pursuant to the provisions of the Landscaping and Lighting Act of 1972. At that meeting, an engineer's report detailed the need for an assessment in order to pay for the maintenance of the landscaped areas. The District includes 46 properties located along both sides of Gold Lake Road, Blue Lake Court, Long Lake Court, and Green Lake Court.

Each year, the City Council may increase the annual assessment by the greater of 3 percent or the percentage increase of the Consumer Price Index (CPI), with a maximum cap of \$335 per parcel. As reported in January 2018 by the United States Department of Labor, Bureau of Labor and Statistics, the CPI for All Urban Consumers in the San Diego area increased by 2.8% during the prior 12 months.

During the establishment of the Fiscal Year 2018-2019 (FY 2018-19), city staff continues to monitor the reserve balance goal of \$11,550 that was established in FY 2014-15. The reserve goal equals one-year of anticipated expenditures plus 40 percent of operational expenditures. Staff continues to rely on the services of two contractors to maintain the District's landscaping and trees. The two contractors are West Coast Arborists (WCA) and Aztec Landscaping Services, Incorporated (Aztec).

Looking forward, the proposed budget realized an increase in salaries, benefits, contract services, and Helix Water costs. In order to meet these cost increases as well as continue to set aside funds to fund the established reserve goal of \$11,550, staff recommends a 3 percent increase in the assessment from \$212.22 to \$218.58 during FY 2018-19, which equals the greater of 3 percent or 2.8 percent which is the annual increase in CPI.

Attachment A

The following District budget was prepared to reflect staff's recommendation.

FY 2018-19 Budget Descriptions	Balance
<i>Beginning Fund Balance</i>	\$4,119
<i>Revenue</i>	
Annual Assessment Revenue	\$9,939
Total Resources	\$14,058
<i>Expenditure</i>	
Salaries – Regular	(\$5,000)
Benefits	(\$1,220)
Contract Services (Landscaping)	(\$3,600)
SDG&E	(\$100)
Helix Water	(\$1,500)
Total Expenditures	(\$11,420)
<i>Transfers</i>	
Transfer to City for Admin & Operations	(\$100)
Transfer/Allocation for Reserves	(\$2,538)
Total Transfers	(\$2,638)
Ending Fund Balance	\$0

At the end of FY 2018-19, staff anticipates \$2,856 will be available to add to the District's reserve goal of \$11,550. Staff will continue to monitor the fiscal stability of the District each year, paying close attention to the expenditures made and the need to adjust the annual assessment in order to safeguard the District's fiscal health to afford operational costs and reserve goals.

Conclusion:

Staff recommends that the City Council adopt a resolution (**Attachment B**) approving the levy and collection of assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2018-19 and directs the City Clerk to file the levy with the County of San Diego Auditor and Controller on or before August 10, 2018.

Attachment B

RESOLUTION NO. 2018 - _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING THE LEVY AND COLLECTION OF ASSESSMENTS WITH THE LEMON GROVE WILDFLOWER LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT 97-1 FOR FISCAL YEAR 2018-2019

WHEREAS, on September 2, 1997, the City Council adopted Resolution No. 1805, declaring the results of a property owner protest proceeding held in the Lemon Grove Wildflower Landscaping Maintenance Assessment District 97-1 (District); and

WHEREAS, the engineer's report for the District, approved by Resolution No. 1804, on file with the City Clerk, gives a full and detailed description of the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, the City Council desires to increase the assessment against parcels of land within the District for the fiscal year commencing on July 1, 2018 and ending June 30, 2019, to pay the expenses of operating, maintaining and servicing landscaping and appurtenant facilities located within public places in the District; and

WHEREAS, the City Council has determined that a 3 percent increase in the annual assessment will be needed for Fiscal Year 2018-2019. |

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Sets the assessment rate for Fiscal Year 2018-2019 in the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 at \$218.58 per parcel; and
2. Directs the City Clerk to file the levy with the County of San Diego Auditor and Controller on or before August 10, 2018. |

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